GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:3955
ANSWERED ON:09.12.2016
Method for Disbursing Grants
Puttaraju Shri C.S.

Will the Minister of FINANCE be pleased to state:

(a) whether the Government has adopted the recommendations of 14th Finance Commission for evolution of a new institutional arrangement for identifying the sectors in the State/UT that be eligible for grants including area specific grants;
(b) if so, the details thereof; and
(c) the other steps taken by the Government to facilitate the early release of these grants in favour of the State/UTs?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE
(Shri ARJUN RAM MEGHWAL)

(a) to (c) The Government from the Financial Year 2015-16 has started providing 'Special Assistance' to States by specific intervention through NITI Aayog under the "Demand No. 32 − Transfers to States". This provision is earmarked for spillover committed liabilities pertaining to area specific schemes and projects for which budget provision is not made after the implementation of Fourteenth Finance Commission and for need-based assistance to the States, due to varying socio-economic-geographical factors. For this purpose, the Government had released ` 10,890.00 crore during 2015-16 and made a provision of ` 11,000.00 crore during 2016-17 (including cash supplementary of ` 2000 crore in the 1st batch of Supplementary Demands for Grants).

In addition under the proviso of Article 275 (1) of the Constitution, grants amounting to ` 84,578.78 crore had been released to the States during 2015-16 and a provision of ` 1,00,646.36 crore is made for the year 2016-17. However, the grants to the Union Territories do not fall under the jurisdiction of the Finance Commission.

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